Performance Plan

Fiscal Years 2001-2004

BC Transit

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BC TRANSIT PERFORMANCE PLAN
FISCAL YEARS 2001/02 – 2003/04
CONTENTS

Page

1. MISSION 1

2. PUBLIC TRANSPORTATION VISION 2

3. VALUES 2

4. ENVIRONMENTAL SCAN AND KEY STRATEGIC ISSUES 6
   - 4.1 Assessment of Performance Against Objectives 2000/01
   - 4.2 The Next Three Years — Key Strategic Issues

5. GOALS AND OBJECTIVES 10
   - 5.1 Goals and Objectives to 2003/04
   - 5.2 Support for Provincial Objectives

6. CORPORATE STRATEGIES 12
   - 6.1 Victoria Regional Transit System Development
   - 6.2 Municipal Systems Program Development
   - 6.3 Corporate Strategies
     - 6.3.1 Facilities and Fleet
     - 6.3.2 Workforce Development
     - 6.3.3 Labour Negotiations
     - 6.3.4 Governance
     - 6.3.5 Transportation Demand and Transportation Supply Management
     - 6.3.6 Financial Systems Upgrade
   - 6.4 Financial Plan
     - 6.4.1 Funding Sources and Cost Sharing
     - 6.4.2 Operating Budget Summaries
     - 6.4.3 Capital Plan

7. PERFORMANCE MEASURES AND TARGETS 21
   - 7.1 Efficiency and Effectiveness
     - 7.1.1 Victoria Regional Transit System Performance
     - 7.1.2 Municipal Systems Program Performance
   - 7.2 Other Performance Targets
   - 7.3 Corporate Reporting

TABLES

Page

1. Operating Budget Summary, Victoria Regional Transit System 19
2. Operating Budget Summary, Municipal Systems Program 20
3. Performance Indicators, Victoria Regional Transit System, Conventional Transit 22
4. Performance Indicators, Victoria Regional Transit System, Custom Transit 23
5. Performance Indicators, Municipal Systems Program, Conventional Transit 23
6. Performance Indicators, Municipal Systems Program, Custom Transit 24

FIGURES

Map of BC Transit Systems ..... Overleaf page

Governance Structure 3

BC Transit Systems

Victoria Regional Transit System
- Conventional Transit
- Custom Transit

Municipal Systems
Conventional Transit Systems (24)
- Campbell River
- Central Fraser Valley
- Chilliwack
- Comox Valley
- Cowichan Valley
- Cranbrook
- Dawson Creek
- Fort St. John
- Kamloops
- Kelowna Regional
- Kitimat
- Kootenay Boundary
- Nanaimo Regional
- Nelson
- Penticton
- Port Alberni
- Powell River
- Prince George
- Prince Rupert
- Squamish
- Sunshine Coast
- Terrace Regional
- Vernon Regional
- Whistler

Municipal Systems
Paratransit Systems (32)
- Agassiz-Harrison
- Boundary
- Castlegar Regional
- Clearwater & Area
- Comox Valley
- Cowichan Valley
- Cranbrook
- Creston Valley
- Fort St. John
- Hazeltons Regional
- Kaslo
- Kimberley
- Nakusp
- Nelson & Area
- Nelson-Slocan Valley
- North Okanagan
- Okanagan-Similkameen
- 100 Mile House & Area
- Osoyoos
- Pemberton Valley
- Port Edward
- Powell River
- Princeton & Area
- Quesnel & Area
- Revelstoke
- Shuswap Regional
- Smithers & Area
- Squamish
- Summerland
- Sunshine Coast
- Terrace Regional
- Williams Lake

Municipal Systems
Custom Transit Systems (13)
- Alberni-Clayoquot
- Campbell River
- Central Fraser Valley
- Chilliwack
- Kamloops
- Kelowna Regional
- Kitimat
- Kootenay Boundary
- Nanaimo Regional
- Penticton
- Prince George
- Prince Rupert
- Vernon Regional

1. MISSION

BC Transit is the provincial Crown agency charged with providing public transportation throughout the province outside of Greater Vancouver. Its mandate, as set out in the *BC Transit Act*, is as follows:

> **"....to plan, acquire, construct or cause to be constructed public passenger transportation systems and rail systems that support regional growth strategies, official community plans, and the economic development of transit service areas."**

In addition to managing and operating the Victoria Regional Transit System, the corporation plans, funds, manages the fleet, markets and contracts for transit systems in 52 municipal service areas throughout British Columbia.

BC Transit's Scope

- 1.6 million people have access to its services
- 33 million trips annually
- 700 bus, van and minibus fleet
- 1.6 million hours of service offered
- 68 operating agreements
- annual operating budget of $116 million

Three types of service are provided. In conventional transit, buses operate on fixed-routes, and fixed-schedules. Door-to-door, demand-responsive custom transit or "handyDART" services carry registered persons who are unable to use the conventional transit system because of a disability. (Custom transit includes wheelchair-equipped van services, contracted taxi supplemental service, and Taxi Saver programs in which registered users purchase coupons at a 50% discount to a fixed monthly level.) Paratransit, provided with smaller buses, carries both conventional and custom transit passengers in small towns and rural areas.

Although public passenger transportation represents BC Transit's core mandate, the corporation's span of activities has broadened in recent years to include:

- efforts to coordinate school busing and transit in the Municipal Systems Program
- travel demand management such as vanpools and bus pass programs, and
- regional transportation planning and governance initiatives.

2. PUBLIC TRANSPORTATION VISION

Public transit has many benefits: providing essential mobility and a travel choice for all residents; reducing the costs of traffic congestion; contributing to improved air quality; and allowing for more compact urban development and deferral of the construction of expensive new roadways. The provincial government's 1996 vision for transit, the *Ten-Year Development Plan for BC Transit*, recognizes these benefits, and provides the policy framework for development of public transportation in the province.

Throughout North America it is widely recognized that a new public transportation paradigm for the 21st century is emerging. This paradigm has two essential characteristics. The first is a shift away from highway capacity expansion to transportation system management and expanded travel choices. The second is a consistent focus on the user's full trip, not simply individual segments of the trip.

How will this new paradigm affect BC Transit's delivery of transportation in the coming years?

BC Transit must respond to this emerging transportation paradigm by continually reassessing, and where necessary refining, its services to better fit local market and community priorities. Improvements to the integration of all transportation modes — transit, automobile, cycling and walking — will be required. Especially in areas experiencing urban development pressures such as Kelowna, Whistler, Kamloops and the Capital Region, public transportation has a pivotal role to play in supporting regional development, preserving air quality and maintaining community livability.

3. VALUES

BC Transit manages within the governance framework described below and is guided by the following principles:

•***Joint Provincial and Municipal Representation on the Board of Directors*** —

The corporation is governed by a seven-member Board of Directors[1], appointed by the province according to criteria specified in the *BC Transit Act*. The *Act* requires four of the Board members to be municipally-elected representatives. The Chair reports to a provincial cabinet minister.

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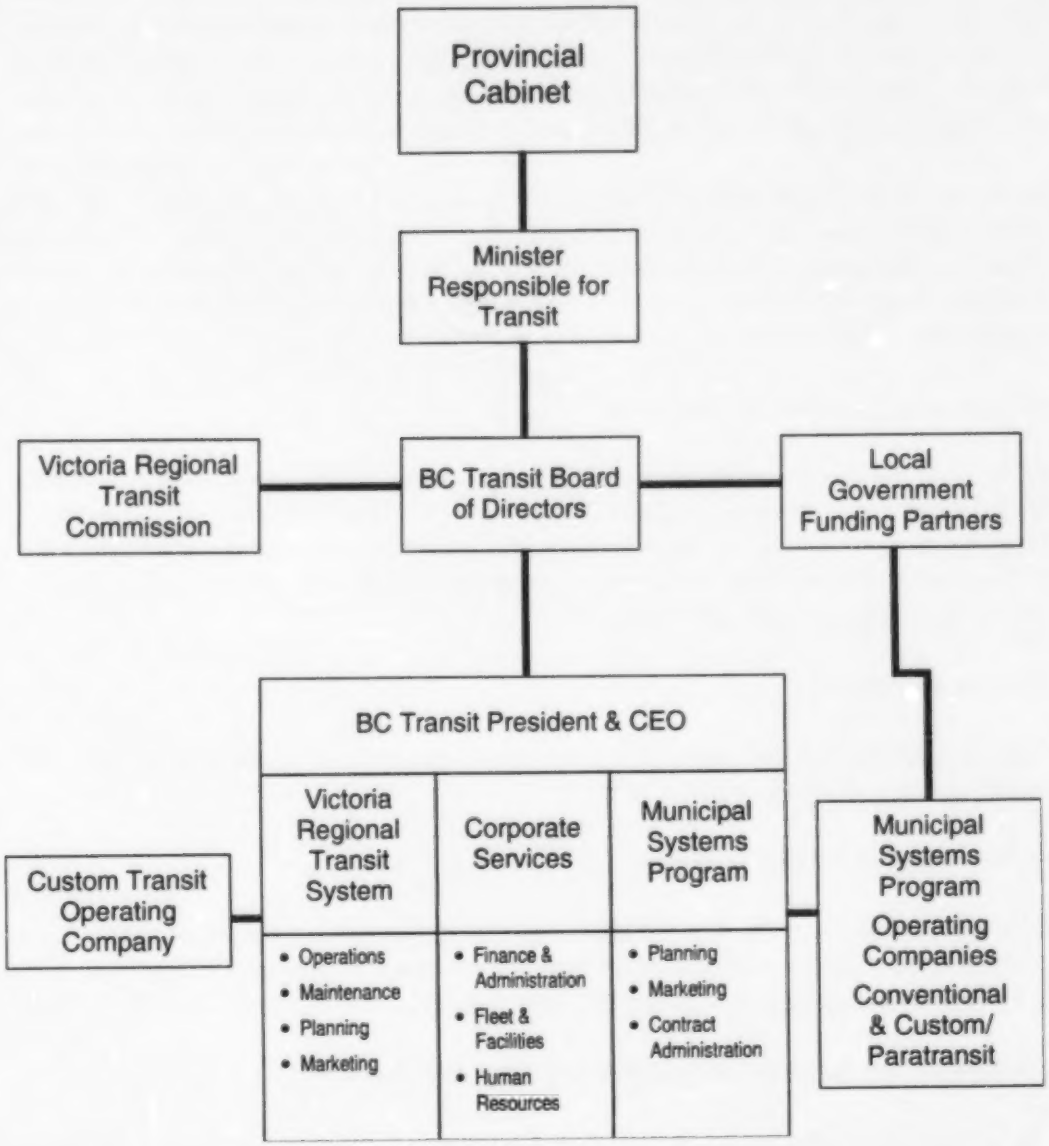
1 The current composition of the Board of Directors of BC Transit is as follows: a Saanich Councillor; the Mayors of Kelowna, Prince George, and Esquimalt; a member of the Mayor's Advisory Committee on Disability Issues in Kamloops; and the President of the Nanaimo/Duncan District Labour Council. The Board's chair is a retired former partner of the accounting firm Deloitte & Touche.

BC Transit
Governance Structure



• ***Strong and Transparent Local Decision-Making —***

The Victoria Regional Transit Commission consists of a minimum of seven members, principally local mayors, who are appointed according to the *Act*. The Commission sets routes, service levels, fares and local taxes for transit purposes. It reviews and recommends for approval to BC Transit's Board the annual operating and capital budget. The Commission is responsible for raising the local share of the annual cost of transit in the region. Its monthly meetings are open to the public.

In the Municipal Systems Program, service plans and budgets are approved each year in open sessions by councils or regional district boards, who also set fares and raise the local share of transit costs. The BC Transit Board approves Municipal Systems Program budgets as well as operating company selection and annual agreements, and designates transit service areas.

• ***Partnerships and Cooperation —***

BC Transit solicits the participation and cooperation of citizens, labour, business and local government in the provision of public transit. In the Municipal Systems Program, transit is a unique three-way partnership benefiting from the expertise of BC Transit and private transit operating companies, as well as local government input regarding services and fares.

• ***Focus on Safety —***

Ensuring safety and security throughout its operations — for customers, staff and the public at large — is a key priority for BC Transit.

• ***Market-Based Service Design —***

With its market focus BC Transit strives to maximize service convenience and appeal to existing and future customers. A number of different pricing and service designs have been developed (e.g. paratransit, taxi delivered handyDART, and the UPass).

• ***Sound Financial and Contract Management Practices —***

The corporation uses sound financial and accounting practices to ensure the highest value is received for dollars spent. A competitive process for operating company selection takes place every five years. BC Transit achieves economies of scale through competitive contracts province-wide for fuel and fleet purchases.

• ***Environmental Stewardship —***

BC Transit is an environmentally responsible corporation. As older vehicles are retired they are replaced with newer vehicles that meet stringent emission standards. New bus garages, and those scheduled for major upgrades, include wastewater treatment facilities, high-efficiency light and heating systems, and other environmental features. BC Transit supports community efforts to encourage "green" travel.

4. ENVIRONMENTAL SCAN AND KEY STRATEGIC ISSUES

4.1 Assessment of Performance Against Objectives 2000/01

A brief overview of corporate performance (based on preliminary year-end figures) against objectives for last year is provided below. Details of the final year-end results will be published in BC Transit's *Annual Report* in June, 2001.

Service effectiveness and cost efficiency targets and forecasts for the year ended March 2001, are detailed in Section 7.1 and briefly highlighted in the chart below. In the Victoria Regional Transit System, conventional ridership of 19.3 million last year exceeded the forecast by 585,000 passengers. Custom transit ridership of 292,509 fell 28,000 rides short of the forecast. This drop in rides was due to the transfer of half of the proposed expansion funding to the Taxi Saver Program. As a result the availability of taxi coupons increased to a maximum level of $60 every month (from $60 every 2 months) for each handyDART client.

In the Municipal Systems Program, conventional transit ridership achieved a level of 14.3 million rides, 553,000 higher than targeted. Strong custom and paratransit ridership of 1.1 million exceeded the target by 103,000 passengers.

Highlights of other corporate results are presented below.

Strategic Objectives – 2000/01 Performance Plan	*Overview of Results*
Leadership in planning effective public transportation systems	•Increases in ridership and service effectiveness in all program areas (see Performance Table, Section 7.1 and summary below) •Student transportation study for Ministry of Education and integration of transit and school bus services in select areas •Travel Demand Management (TDM) partnership programs with post secondary education, major employers and municipalities •Approval of long range Transit Business Plans in Kamloops, Cowichan Valley and Comox Valley

Safety of customers, fleet and facilities	•Outstanding vehicle and passenger safety results continued – accident rates are among the lowest in North America
Positive labour relations	•Productive committee structure at BC Transit •No lost hours due to labour disruption in 2000/01 fiscal year
Efficient and effective use of resources	•New vehicles with greater fuel efficiency •The two-year fixed price fuel contract will result in total savings of at least $1.5 million •Increase in rides/hour and cost/hour below budget and general CPI trends •Competitive bidding in several municipal systems; 2 systems changed operating company management.

Performance Indicators
Victoria Regional Transit System (00/01)

Conventional	*Target*	*Forecast*
Passengers (millions)	18.7	19.3
Passengers/hour	31.1	31.9
Cost/hour	$72.49	$71.43
Cost/ride	$2.62	$2.49

Custom	*Target*	*Forecast*
Passengers (000's)	320	293
Passengers/hour	2.7	2.6
Cost/hour	$45.35	$44.91
Cost/ride	$13.86	$14.76

Performance Indicators
Municipal Systems Program (00/01)

Conventional	*Target*	*Forecast*
Passengers (millions)	13.8	14.3
Passengers/hour	21.5	22.1
Cost/hour	$64.11	$62.86
Cost/ride	$3.27	$3.11

Custom	*Target*	*Forecast*
Passengers (000's)	1044	1147
Passengers/hour	4.0	4.4
Cost/hour	$43.51	$43.83
Cost/ride	$10.74	$9.81

4.2 The Next Three Years — Key Strategic Issues

Looking ahead, BC Transit's external economic and operating environment will be characterized by wide-ranging trends and issues. These factors represent both opportunities and challenges for the corporation in the next three years.

• ***Global warming and public transportation —***

Canada participates with 160 other countries in the Kyoto Protocol, an agreement to address climate change impacts by reducing greenhouse gas emissions. With transportation as the largest source of greenhouse gas emissions, health is emerging as perhaps THE key reason for improving public transit in urban centres.

One bus can replace 40 vehicles on the road. BC Transit's environmental stewardship role — in providing alternatives to single-occupant vehicle travel, meeting new emission standards, supporting the use of more efficient engines and alternatives to the internal combustion engine — will be an important one.

The federal and provincial governments will invest $4,575,000 under the $40-million Western Economic Partnership Agreement (WEPA) in testing and evaluating the next generation of fuel cell bus engines. This WEPA funding will allow BC Transit to buy three fuel cell bus engines from XCELLSIS Fuel Cell Engines, a joint venture by DaimlerChyrsler AG, Ballard Power Systems Inc. and the Ford Motor Co. XCELLSIS will test the engines and evaluate and generate data on their operating and maintenance requirements, performance and durability. BC Transit and TransLink will have access to the tests and the data.

Pursuing federal support for urban transportation —

Canada is the only G-8 country without urban transportation funding at the national level. Although the federal government collects $4.6 billion annually from fuel excise taxes, it invests only $400 million in transportation altogether, and virtually nothing on urban transportation.

In the fall of 2000, BC Transit joined with UBCM, TransLink, the Victoria Regional Transit Commission and others in calling for long term, stable funding support for sustainable transportation at a national level. The federal government is being asked to redirect the equivalent of three cents/litre of excise fuel taxes to urban transportation. As well Ottawa is being asked to grant tax-exemption status for employer-provided bus passes. The BC Transit Board of Directors will continue to actively participate in these efforts.

• ***Rising fuel costs —***

The corporation has in place a two-year fuel supply contract guaranteeing a pre-determined price well below present market levels until March 31, 2002. Nonetheless, escalating fuel costs affect BC Transit in two other ways.

Higher prices at the pump appear to have contributed to surges in ridership on some BC Transit systems in the past year. In Victoria, however, where the local 2.5 cents/litre fuel tax for transit accounts for 16% of total costs, escalating fuel prices have also translated into lower tax revenues from this source. Consumer purchases of fuel have been lower on average and more erratic, resulting in approximately 4.2% less income than last year (8.6% below budget) for the Transit Commission.

• ***Interest in new governance arrangements —***

With the passage of the *Growth Strategies Act* several years ago and the finalization of *Regional Growth Strategies* in a number of areas, the issue of transportation governance — notably improved integration of the delivery of public transit, roadways, and travel demand management programs to address regional priorities — is of growing interest and concern.

As a result of the establishment of the Greater Vancouver Transportation Authority, there has been a formal expression of interest from the Capital Regional District Board to explore the concept of a regional transportation authority in the Capital region. There is some interest in this concept in other parts of the province as well.

• ***Securing governmental and public support for desired investments in public transportation —***

British Columbia is fortunate to be one of only three provinces where the provincial government has enhanced its support for transit in recent years. Municipal governments through property taxes (and fuel taxes in Victoria), together with passenger fares and advertising revenues, cover the remaining costs.

If public transportation is to respond to the challenges posed by urbanization, congestion and pollution, then services must improve. When the global benefits of public transit investments are weighed against the costs of the alternatives (such as building new roadways and bridges) transit comes out ahead. As the controversy around the proposed TransLink vehicle levy illustrated in recent months, the question of who should pay for desired public transportation improvements, and how, is already a high-profile matter of public debate.

• *A changing market with increasing expectations* —

Changing demographics, particularly an aging population, means that full accessibility to transit for persons with mobility impairments will be increasingly important in the coming years. Improved transit system amenities — such as more benches for resting and better lighting, security at stops and curb cuts for persons travelling in wheelchairs or using walkers — will be required.

Moreover, customer expectations about service quality and convenience are rising. For example, with better technology available, customers want to be provided with improved "real-time" information about bus arrivals and departures.

• *New technology opportunities* —

Acquiring new transit buses and other equipment is becoming more complex. With a wider spectrum of vehicle and technology options available, the task of matching vehicle performance and capacity with market niches and service characteristics is more sophisticated than ever.

New farebox, automatic passenger counting and vehicle locator technology will enable a finer level of market and service analysis. This will have strategic implications as transit planners and decision-makers benefit from better information.

• *Trends in travel generally conform to GDP growth* —

Travel is a derived demand, and transit ridership as a rule reflects economic indicators. In general, ridership on BC Transit's systems is expected to mirror the GDP growth levels of 2.5% to 3% forecast for the next three years.

5. GOALS AND OBJECTIVES

5.1 Goals and Objectives to 2003/04

Seven strategic goals will shape BC Transit's service and corporate business activities.

Goal 1
Planning Leadership —
Provide leadership in planning effective public transportation systems that respond to market and community needs.

Goal 2
Service Innovations —
Increase transit use through innovative and improved services.

Goal 3
Efficient and Effective Use of Resources —
Make efficient use of resources to maximize customer service and minimize subsidy levels.

Goal 4
Social and Environmental Responsibility —
Be recognized as a socially and environmentally responsible crown agency.

Goal 5
Safety —
Ensure customer safety and security throughout all BC Transit's systems.

Goal 6
Positive Labour Relations —
Achieve positive and equitable labour relations, recognizing the invaluable contribution and experience of BC Transit employees.

Goal 7
Community Participation —
Encourage the participation and cooperation of citizens, labour, business and government in providing excellence in public transportation.

5.2 Support for Provincial Objectives

BC Transit's programs and services also support provincial strategic priorities by:

- contributing to efforts to **protect the environment** and create a greener society

- **partnering with municipalities** in the provision of transit services to further the realization of development goals for their towns and regions

- capitalizing on **technological change and innovation** (such as the Ballard fuel cell/XCELLSIS engine test program, and new bus designs) to increase operating efficiency, and enhance customer and community acceptance of services

• furthering **social equity** by providing an affordable service that is especially important to seniors, women, youth, families and persons with disabilities

• promoting **equity for women** and visible minorities in its hiring practices, and

• consistently maintaining a **high standard of financial management** and reporting.

6. CORPORATE STRATEGIES

6.1 Victoria Regional Transit System Development

In conjunction with the Commission, BC Transit will be formulating a new multi-year service strategy for the Victoria Regional Transit System in the fall of 2001. The timeline for this plan was deferred to allow assessment of funding alternatives (such as the use of the fuel tax) and to assess results of the intense efforts by transit, municipal and environmental interests nationally to encourage the federal government to support urban transportation investment.

Until the Commission approves a funding plan, it is not possible to precisely determine the scope of system development beyond the next few years. Nevertheless the key strategies to increase ridership, service effectiveness and the attractiveness of transit as a travel alternative can be envisaged at this point in time.

As was the case last year in the Capital Region, during the next three years the rate of growth in the fleet and service hours will be less than in the late 1990's. This reflects many external factors including slower economic activity and population growth, cost pressures and public funding constraints.

Key elements of service development in the Victoria Regional Transit System are as follows:

• In the past three years, ridership has increased by about 9%, or 1.6 million rides. Demand for conventional transit is expected to rise by an average 2% per year, or about double the rate of population growth. The service adjustments detailed below are designed to satisfy the needs of this market, resulting in estimated ridership growth of 5.8% to a level of 20.3 million by 2003/04.

• As the population ages and community support programs develop, the demand for custom transit is expected to grow somewhat faster than conventional transit. A 7% increase in service is projected for the handyDART, Taxi Supplement and Taxi Saver programs over the next three years.

• Adding 13 new double deck buses to the existing fleet of 10 will enable more passengers to be carried on busy routes. This means lower operating costs by reducing the need for "overload" buses, freeing up resources for reallocation to areas of growing demand.

• Other measures will improve the convenience of public transit in the region:

-The benefits of transit priority programs will begin to be realized. The completion of queue jumpers on Highway 1 at Tillicum, and at Admirals and McKenzie, will improve travel speed and convenience linking the core area to the growing centres in the Western Communities.

-"Park and ride" improvements in the Saanich Peninsula and the Western Communities will allow better access to transit for residents from low density areas where frequent bus service is not viable.

-New transit exchanges in Royal Oak and Colwood will improve access to major community activity centres and improve operational flexibility and efficiency.

–Schedule information will be improved through automated signs at major locations and better signage at local stops. There will also be enhanced use of web-based information.

-Some existing routes will be extended to strengthen regional connections between communities.

-Continued emphasis will be placed on the successful bus pass programs delivered by BC Transit in partnership with universities, colleges and major employers, including assessment of new pre-paid tariff products/technology.

6.2 Municipal Systems Program Development

BC Transit provides planning, marketing, fleet management and funding for transit services for the Municipal Systems Program. The scope of the program comprises 24 conventional transit systems, 32 paratransit and 13 custom transit systems.

BC Transit's *Ten Year Development Plan* mapped out targets for service levels and expansion priorities to 2006, and provided a basis for funding additional services in communities actively supporting transit through changes in land use development, and Transportation Demand Management programs.

Students (both high school and post secondary), commuters (particularly in larger communities) and older seniors (especially for accessible conventional and custom transit services) will continue to represent the key markets in the Municipal Systems Program.

In 2001/02, conventional transit service expansions are planned for the Kelowna Region, the Nanaimo Region, Kamloops and the Comox Valley. These expansions focus primarily on improved commuter service. Fixed-route transit service will be introduced in Quesnel and will be expanded in the Salmon Arm region.

The major components of the service strategy for the Municipal Systems Program during the next three years are as follows:

- Overall conventional service is projected to increase by 13.7% from 2001/02 to 2003/04, with ridership increasing by 15.4% to a level of 17 million rides annually. Rides per hour of service and cost recovery are forecast to improve steadily each year.

- Custom/paratransit service is projected to increase by 8.2% from 2001/02 to 2003/04. Three new paratransit systems planned for implementation during this period account for most of this increase. Growth in existing custom transit service is forecast to be limited, in part due to the success of the accessible low-floor buses now in operation in many communities. Taxi Saver and Taxi Supplement levels will be adjusted according to demand.

- The Municipal Systems Program will take delivery in July 2001 of 13 more of the new 10.5 metre (mid-size) buses on order by BC Transit, providing a better match between bus size and passenger loads. In addition, in January 2002, 6 Trident double deck buses and 17 DARTS (10.5 metre buses) are scheduled for delivery.

- Three technology initiatives are underway in the Municipal Systems Program to help increase performance – computer software for driver scheduling, automatic passenger counters and new fare technology.

- In several regions throughout the province, demand for regional transit linkages is becoming more pronounced, most notably in the Sea-to-Sky Corridor and the Nelson-Trail-Castlegar area. BC Transit will continue to explore strategies for overcoming jurisdictional barriers to provide these regional services in the future.

- The very successful UPass program from the University of Victoria and Camosun College will be extended to other universities and major colleges in British Columbia.

6.3 Corporate Strategies

6.3.1 Facilities and Fleet

BC Transit's capital program takes advantage of a number of cost containment strategies. These include maximizing the utilization of existing facilities; the use of operating leases to acquire land and facilities; and for new vehicle purchases, carefully managing the timing and matching of vehicle types to service requirements.

Several facility projects will be undertaken in the next three years. There will be a major renovation of the shop at the Victoria Transit Centre in 2001. Construction of a new transit facility at Whistler will get underway in 2001 as well. Discussions with the school district over a possible joint-use transit facility in Kamloops are progressing.

Fleet acquisition to 2004 will focus on high capacity buses for major trunk routes, and acquisition of mid-size DART vehicles (with greater fuel and operating efficiency) for local routes. Recent orders of vehicles have taken advantage of lease arrangements when prices are favourable. This approach will continue to be used in the future when advantageous rates are available.

Specifics of the capital plan are included in Section 6.4.3 below.

6.3.2 Workforce Development

In the coming years it will be increasingly difficult to attract, retain and re-train employees in the public transportation field. Overall the industry is faced with an ever-changing and aging workforce, low unemployment and a diverse population.

To address this issue, BC Transit will be participating on the American Public Transportation Association's "Workforce Development Initiative Task Force". These efforts are designed to provide a clearer understanding of the future challenges for the various components of the public transportation labour market, and the steps required to address these challenges.

6.3.3 Labour Negotiations

In the Municipal Systems Program and the Victoria handyDART system, transit employees are represented by a broad array of employers and unions (as well some smaller operations are non-unionized). Collective agreements in these instances are between the unions and private operating companies or societies that deliver the service with BC Transit not part of the negotiations.

In the conventional side of the Victoria Regional Transit System, both collective agreements — with CAW and OPEIU —expired on March 31, 2001. Negotiations for new three-year collective agreements with the CAW and OPEIU representing over 570 staff members were underway as of March 2001.

6.3.4 Governance

The province has asked BC Transit to take a lead role[2] in discussions exploring the potential of establishing a regional transportation authority in the Capital Regional District. The Region has not yet adopted a *Regional Growth Strategy*, the plan which normally would guide any decisions on transportation governance and funding reforms. At present a discussion draft is in circulation for comment by area municipalities and other stakeholders. The broad regional vision and objectives for the transportation sector articulated in the draft has received strong universal endorsement.

As work on the *Regional Growth Strategy* for the Capital Region progresses, the CRD has asked BC Transit to develop terms of reference and a project scope for the transportation component of the plan, and lead the process to conduct this work. Funding is in place, and it is expected the regional transportation plan will be complete by the end of fiscal 2001/02. Governance discussions can still take place in the meantime.

BC Transit is also participating with concerned parties regarding transportation funding and governance of the major regional transportation infrastructure (primarily major roadway and bridges) in the Central Okanagan.

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2 In addition to the Capital Regional District and BC Transit, the parties included in the transportation funding and governance discussions include the Ministry of Municipal Affairs, the Ministry of Transportation and Highways, and the BC Transportation Financing Authority.

6.3.5 Transportation Demand and Transportation Supply Management

BC Transit works directly or in partnership with other agencies to promote travel options and reduce dependency on single occupant automobile travel. These initiatives support BC Transit's core mandate, and are not directly sponsored or delivered by any other provincial agency. The key examples of activity in this area are:

- The Jack Bell Foundation (the coordinator of vanpool programs in the Lower Mainland and southern Vancouver Island for several years) announced in late 1999 that it would be withdrawing its support for the Island operation. An interim structure has been put in place allowing the Foundation to carry on with their existing vanpool activities on Vancouver Island and a few other BC locations. Options for establishment of a long-term administrative structure are under review.

- With funding from Environment Canada, BC Transit is overseeing the development of training and a website to promote *Travel Options* in BC. This program has also been delivered in 10 Canadian cities. Discussions with Environment Canada about further funding support or extension of the *Travel Options Sharing Program* are ongoing.

- Coordination of school busing and transit — in order to improve efficiency and reduce duplication of services — has been underway in several BC municipalities. BC Transit continues to work with the Ministry of Education on a more detailed review of contract administration, fleet management, performance monitoring and cost analysis of existing school bus operations.

6.3.6 Financial Systems Upgrade

In the course of the next year, BC Transit will be upgrading its financial systems with a $750,000 investment in new hardware and software. The existing human resources software will be replaced, as will the 10-year-old program currently used to develop driver shifts, the major cost component of the transit system. These upgrades will improve system efficiency and reporting capabilities to meet increased demands of the *Budget Transparency and Accountability Act*.

6.4 Financial Plan

6.4.1 Funding Sources and Cost Sharing

The Regulations of the *BC Transit Act* set out the formulas for sharing transit costs. BC Transit's portion is provided by the provincial government out of general revenues.

In the Municipal Systems Program, the local share is made up of revenue from fares, advertising and property taxes. In the Victoria Regional Transit System, the local share is made up from fuel taxes as well as property taxes, fares and advertising.

The proportion of total expenditures paid for by fares varies from one transit system to another, and is significantly higher for conventional than custom/paratransit services. The greater the proportion of costs covered by fares, the lower the amount of property taxes that must be collected by municipal governments to cover the local share.

6.4.2 Operating Budget Summaries

When all programs are combined, the total provincial contribution to BC Transit in 2001/02 amounts to $47.7 million. The operating contribution of $44.7 million covers 39% of the cost of transit service delivery. (The $3.0 million difference represents the cost of the recently announced testing program for the next generation of XCELLSIS Fuel Cell Engines discussed earlier in Section 4.2.)

Approved operating budgets for the current fiscal year, and preliminary forecasts for 2002/03 and 2003/04, are presented in Tables 1 and 2 below.

Approved or planned expenditures for conventional and custom transit in the Victoria Regional Transit System total $56.0 million in 2001/02, increasing by 12.6% to a level of $63.1 million by 2003/04.

OPERATING BUDGET SUMMARY **TABLE 1**
VICTORIA REGIONAL TRANSIT SYSTEM
($ millions)

	1999/2000 Actual	2000/2001 Budget	2001/2002 Budget	2002/2003 Projection	2003/2004 Projection
EXPENDITURES					
CONVENTIONAL TRANSIT					
Operating Costs	42.0	43.6	44.9	47.1	49.6
Debt Servicing	4.3	5.4	6.1	6.7	7.7
Subtotal	46.3	49.1	51.0	53.8	57.4
CUSTOM TRANSIT					
Operating Costs	3.7	4.3	4.7	5.0	5.3
Debt Servicing	0.1	0.2	0.3	0.4	0.4
Subtotal	3.8	4.4	5.0	5.4	5.7
TOTAL PROGRAM EXPENDITURE	50.1	53.5	56.0	59.2	63.1
SOURCES OF FUNDING					
Fares/advertising	20.6	21.8	23.3	24.4	25.2
Municipal Contribution	13.8	14.8	15.5	16.7	18.8
Provincial Contribution	15.6	17.0	17.2	18.1	19.1
TOTAL REVENUE	50.1	53.5	56.0	59.2	63.1

In the Municipal Systems Program, where a more significant level of growth is forecast in the conventional transit systems, planned expenditures of $60.1 million in 2001/02 are expected to increase by 15.8% to $69.6 million by 2003/04.

OPERATING BUDGET SUMMARY — TABLE 2
MUNICIPAL SYSTEMS PROGRAM
($ millions)

	1999/2000 Actual	2000/2001 Budget	2001/2002 Budget	2002/2003 Projection	2003/2004 Projection
EXPENDITURES					
CONVENTIONAL TRANSIT					
Operating Costs	38.4	41.0	42.9	46.8	50.0
Debt Servicing	3.4	4.1	4.6	5.2	5.6
Subtotal	41.8	45.1	47.5	51.9	55.5
CUSTOM TRANSIT					
Operating Costs	10.0	10.6	11.9	12.6	13.3
Debt Servicing	0.5	0.6	0.7	0.7	0.8
Subtotal	10.5	11.2	12.6	13.4	14.1
TOTAL PROGRAM EXPENDITURE	52.3	56.3	60.1	65.3	69.6
SOURCES OF FUNDING					
LOCAL SOURCES					
Fares/advertising	13.9	14.5	16.6	18.5	20.0
Municipal Contribution	14.1	15.9	16.1	17.1	17.9
Provincial Contribution	24.3	25.8	27.5	29.8	31.7
TOTAL REVENUE	52.3	56.3	60.1	65.3	69.6

6.4.3 Capital Plan

BC Transit's capital requirements for the next three years are based on the increases in fleet and infrastructure necessary to support the *Ten Year Development Plan for BC Transit* and the service strategies outlined above.

"Capital Expenditures Limits" are set annually by Treasury Board for a rolling four-year period to ensure expenditures can be managed within provincial debt constraints. For the three fiscal years covered by this performance plan, 2001/02 to 2003/04, BC Transit's capital expenditure (CEL) limits are $76.5 million. The major components of BC Transit's capital plan for the next three years are as follows:

- replacement and expansion vehicles for conventional and custom services. In the next three years, there are forecast to be 58 replacement and expansion vehicles for conventional services, and 13 vans and minibuses for custom transit.

- renovation of the Victoria Transit Maintenance Centre at a cost of $2.5 million

- advanced technology to improve ridership and service reliability, and enhance staff efficiencies at a cost of $750,000, and

- a new operating centre in Whistler. This does not appear as a capital budget outlay because operating leases with the Resort Municipal of Whistler or a private developer will be used to acquire the land and facility.

7. PERFORMANCE MEASURES AND TARGETS

The performance forecasts described below for the next three years are based on the service and corporate strategies outlined above in Section 6.

7.1 Efficiency and Effectiveness

Consistent with standard industry practices, BC Transit uses a basic set of measures to track the performance of transit services over time. The most important measures of efficiency and effectiveness are as follows:

- **Revenue Hours** represent the total number of scheduled hours that the transit fleet is in regular passenger service.

- **Revenue Passengers** represent transit riders who have made one fare payment to use the transit service. (Passengers who use a transfer and board more than one bus to complete a trip are only counted once.)

- **Revenue Passengers Per Service Hour** is a primary measurement of the effectiveness of the service.

- **Cost Recovery** is a measure of financial performance expressed in terms of total revenue/total expenses.

- **Operating Cost per Service Hour** is an important efficiency measure.

- **Cost per Revenue Passenger** is another key efficiency measure.

Service effectiveness and cost efficiency performance targets for all of BC Transit's systems and programs are presented below.

7.1.1 Victoria Regional Transit System Performance

Three year performance targets for the Victoria Regional Transit System are included in Table 3. Both service hours and revenue passengers for conventional transit are forecast to grow by 5.8%, resulting in productivity levels remaining constant at 31.4 revenue passengers per hour. Due to inflation, operating costs per hour are forecast to increase by 4.5%, with costs per hour rising at the same rate. Total cost per passenger is forecast to go up by 6.4%.

PERFORMANCE INDICATORS
VICTORIA REGIONAL TRANSIT SYSTEM
CONVENTIONAL TRANSIT — **TABLE 3**

	2000/2001 Target	2000/2001 Forecast	2001/2002 Target	2002/2003 Target	2003/2004 Target
SERVICE EFFECTIVENESS					
Service hours	602,000	604,200	612,313	627,200	647,693
Revenue passengers	18,700,000	19,285,000	19,232,700	19,700,953	20,344,695
Revenue passengers per hour	31.1	31.9	31.4	31.4	31.4
COST EFFICIENCY					
Total cost recovery (total rev & total cost)	43.5%	43.8% *	45.0%	44.4%	43.1%
Operating cost per hour	$72.49	$71.43 *	$73.35	$75.17	$76.65
Total cost per passenger	$2.62	$2.49 *	$2.65	$2.73	$2.82

* Includes impact of $1.2 million Superannuation pension rebate.

With regard to custom transit in Victoria, service hours are expected to increase by 7% over the three year period, with ridership (van, Taxi Supplement and Taxi Saver) targeted to grow by 6.5%. Productivity levels are expected to remain virtually unchanged, while operating costs per hour (van service only) are expected to rise by 4.3%. Costs per passenger (taxi and van) are forecast to increase by 6.4%.

PERFORMANCE INDICATORS VICTORIA REGIONAL TRANSIT SYSTEM CUSTOM TRANSIT					TABLE 4
	2000/2001 Target	2000/2001 Forecast	2001/2002 Target	2002/2003 Target	2003/2004 Target
SERVICE EFFECTIVENESS					
Service hours	94,279	93,000	99,518	102,500	106,500
handyDART passengers	254,801	245,509	270,009	276,750	287,550
Total (including Taxi Saver)	320,350	292,509	368,186	377,400	392,100
handyDART passengers per hour	2.7	2.6	2.7	2.7	2.7
COST EFFICIENCY					
Total cost recovery (total rev to total cost)	8.9%	9.0%	7.8%	8.9%	8.8%
Operating cost per hour	$45.35	$44.91	$47.59	$48.85	$49.63
Total cost per custom passenger	$13.86	$14.76	$13.63	$14.23	$14.50

7.1.2 Municipal Systems Program Performance

With projected increases of conventional service hours in the Municipal Systems Program of 13.7% from 2001/02 to 2003/04, ridership is expected to increase by 15.4%. Productivity is targeted to improve slightly to a level of 22.2 revenue passengers per hour. While the operating costs per hour are forecast to go up by 2.4%, the cost per passenger will remain almost constant.

PERFORMANCE INDICATORS MUNICIPAL SYSTEMS PROGRAM CONVENTIONAL TRANSIT					TABLE 5
	2000/2001 Target	2000/2001 Forecast	2001/2002 Target	2002/2003 Target	2003/2004 Target
SERVICE EFFECTIVENESS					
Service hours	640,030	647,369	673,229	726,544	765,546
Revenue passengers	13,771,000	14,323,663	14,694,358	16,086,200	16,963,900
Revenue passengers per hour	21.5	22.1	21.8	22.1	22.2
COST EFFICIENCY					
Total cost recovery (total rev to total cost)	28.8%	32.4%	31.3%	32.0%	32.4%
Operating cost per hour	$64.11	$62.86	$63.75	$64.41	$65.27
Total cost per passenger	$3.27	$3.11	$3.24	$3.23	$3.27

As far as custom and paratransit is concerned, ridership (including van, Taxi Supplement and Taxi Saver) is expected to grow by 11.4% as new services are put in place. Productivity levels are expected to increase only slightly, while operating costs per hour (van service only) are expected to go up by 2.5%. Costs per passenger (taxi and van) are projected to remain virtually unchanged.

PERFORMANCE INDICATORS
MUNICIPAL SYSTEMS PROGRAM
CUSTOM / PARA TRANSIT — **TABLE 6**

	2000/2001 Target	2000/2001 Forecast	2001/2002 Target	2002/2003 Target	2003/2004 Target
SERVICE EFFECTIVENESS					
Service hours	226,722	226,772	240,734	251,331	260,457
handyDART passengers	908,600	990,390	1,028,400	1,084,600	1,135,000
Total passengers (including Taxi Saver)	1,043,743	1,146,782	1,199,850	1,273,100	1,336,200
handyDART passengers per service hour	4.0	4.4	4.3	4.3	4.4
COST EFFICIENCY					
Total cost recovery (total rev to total cost)	13.7%	14.3%	13.7%	14.0%	14.2%
Operating cost per hour (van only)	$43.51	$43.83	$45.46	$45.95	$46.59
Total cost per custom passenger (van & taxi)	$10.74	$9.81	$10.51	$10.51	$10.54

7.2 Other Performance Targets

Performance targets for the coming three years for BC Transit's corporate strategies are summarized in the table below.

Corporate Strategies 2001/02 – 2003/04	*Performance Targets 2001/02*
Service plan development	•Production of a CRD Regional Transportation Strategy •A new multi-year Service Development and Funding Plan for the Victoria Region •Major expansion in Municipal Systems Program
Facilities and fleet	•Delivery of 18 new double deck buses and 17 DART mid-size coaches •A new facility in Whistler, a major upgrade in Victoria and an assessment of a replacement facility in Kamloops

Workforce development	•Preparation of a new Workforce Development Plan following results from the APTA Workforce Development Initiatives Task Force •Custom/paratransit "train the trainer" in Municipal Systems Program – Spring 2001 •Annual Municipal Systems Program Management Seminar – October 2001
Labour relations	•No loss of service through labour disruption •Implementation of new collective agreements
Governance	•Discussions on-going in the CRD and Central Okanagan
Transportation demand and transportation supply management	•Transit Demand Management (TDM) partnerships to be developed with post secondary institutions in Kamloops, Kelowna and Prince George •Joint work with CRD and other municipalities on development of regional TDM program •Vanpooling Program administration finalized to set long term structure for province-wide development •Cycling and Public Transit Program implemented.
New technology implementation	•Initiation of fuel cell engine testing program with XCELLSIS •Implementation of new magnetic tariff (farebox) systems •Updated Financial and Human Resources systems •Website developed in Municipal Systems Program and expanded in Victoria with local information for all communities.

7.3 Corporate Reporting

BC Transit reports its financial and performance results to the Victoria Regional Transit Commission and its Board of Directors on a quarterly and annual basis. BC Transit also reports to Treasury Board according to a fixed quarterly schedule. All corporate reports are posted on its website. In the coming year an effort will be made to post all Victoria Regional Transit Commission agendas and reports on the website as well.

In the Municipal Systems Program, BC Transit is enhancing the existing annual reporting arrangements with its municipal partners.

BC Transit's financial statements are audited annually by KPMG.